

THE HONORABLE ROBERT S. LASNIK

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re AMAZON.COM, INC. SECURITIES
LITIGATION

Master File No. C-01-0358-L

This Document Relates To:

ALL ACTIONS.

CLASS ACTION

ORDER PRELIMINARILY APPROVING
SETTLEMENT AND PROVIDING FOR
NOTICE

1 WHEREAS, a consolidated class action is pending before this Court entitled *In re*
2 *Amazon.com, Inc. Securities Litigation*, Master File No. C-01-0358-L (the “Litigation”);

3 WHEREAS, the parties having made application, pursuant to Federal Rule of Civil
4 Procedure 23(e), for an order approving the settlement of this Litigation, in accordance with a
5 Amended Stipulation of Settlement dated May ____, 2005 (the undated “Amended Stipulation”),
6 which, together with the Exhibits annexed thereto sets forth the terms and conditions for a
7 proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the
8 terms and conditions set forth therein; and the Court having read and considered the Amended
9 Stipulation and the Exhibits annexed thereto; and
10

11 WHEREAS, all defined terms contained herein shall have the same meanings as set forth
12 in the Amended Stipulation.

13 NOW, THEREFORE, IT IS HEREBY ORDERED:
14

15 1. The Court does hereby preliminarily approve the Amended Stipulation and the
16 settlement set forth therein, subject to further consideration at the Settlement Hearing described
17 below.

18 2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby
19 certifies, for purposes of effectuating this settlement, a Class defined as all Persons (other than those
20 Persons who timely and validly request exclusion from the Class) who purchased Amazon Securities
21 during the period October 29, 1998 to October 23, 2001. Excluded from the Class are Defendants
22 and Dismissed Defendants, members of the immediate families of the Defendants and Dismissed
23 Defendants, any entity in which any Defendant or Dismissed Defendant has or had a controlling
24 interest, present or former directors and officers of Amazon, and the legal representatives, heirs,
25 successors, or assigns of any such Defendant or Dismissed Defendant.

26 3. The Court finds, for the purposes of the settlement only, that the prerequisites for a
class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied

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1 in that: (a) the number of Class Members is so numerous that joinder of all members thereof is
2 impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the
3 named representatives are typical of the claims of the Class they seek to represent; (d) the Lead
4 Plaintiffs will fairly and adequately represent the interests of the Class; (e) the questions of law and
5 fact common to the Members of the Class predominate over any questions affecting only individual
6 Members of the Class; and (f) a class action is superior to other available methods for the fair and
7 efficient adjudication of the controversy.

8 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of
9 the settlement only, Lead Plaintiffs Moussa Peykar, Edward Ingeneri, Richard A. Yahr and Emil
10 Panait are certified as Class Representatives.

11 5. A hearing (the "Settlement Hearing") shall be held before this Court on September
12 22, 2005, at 9:00 a.m., at the United States District Court for the Western District of Washington (at
13 Seattle), U.S. Courthouse, 700 Stewart Street, Seattle, Washington, to determine whether the
14 proposed settlement of the Litigation on the terms and conditions provided for in the Amended
15 Stipulation is fair, reasonable and adequate to the Class and should be approved by the Court;
16 whether a Judgment as provided in ¶1.14 of the Amended Stipulation should be entered herein;
17 whether the proposed Plan of Allocation should be approved; and to determine the amount of fees
18 and expenses that should be awarded to Plaintiffs' Counsel. The Court may adjourn the Settlement
19 Hearing without further notice to Members of the Class.

20 6. The Court approves, as to form and content, the Notice of Pendency and Proposed
21 Settlement of Class Action (the "Notice"), the Proof of Claim and Release form (the "Proof of
22 Claim"), and Summary Notice annexed as Exhibits A-1, A-2 and A-3 hereto, and finds that the
23 mailing and distribution of the Notice and publishing of the Summary Notice substantially in the
24 manner and form set forth in this Order meet the requirements of Federal Rule of Civil Procedure 23,
25 §21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7) as amended by the
26

1 Private Securities Litigation Reform Act of 1995, and due process, and is the best notice practicable
2 under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

3 7. Plaintiffs' Settlement Counsel are hereby authorized to retain the firm of Gilardi &
4 Co. LLC ("Claims Administrator") to supervise and administer the notice procedure as well as the
5 processing of claims as more fully set forth below:

6 (a) Not later than June 10, 2005 (the "Notice Date"), Plaintiffs' Settlement
7 Counsel shall cause a copy of the Notice and the Proof of Claim, substantially in the form annexed
8 as Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class Members who can be
9 identified with reasonable effort;

10 (b) Not later than June 18, 2005 Plaintiffs' Settlement Counsel shall cause the
11 Summary Notice to be published once in *Investor's Business Daily* and once in the international
12 edition of *The Wall Street Journal*; and

13 (c) At least seven (7) days prior to the Settlement Hearing, Plaintiffs' Settlement
14 Counsel shall serve on Defendants' counsel and file with the Court proof, by affidavit or declaration,
15 of such mailing and publishing.

16 8. Nominees who purchased Amazon Securities during the period beginning October 29,
17 1998 to October 23, 2001 for the beneficial ownership of another Person shall send the Notice and
18 the Proof of Claim to such beneficial owners of such Amazon securities within ten (10) days after
19 receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims
20 Administrator within ten (10) days of receipt thereof in which event the Claims Administrator shall
21 promptly mail the Notice and Proof of Claim to such beneficial owners.

22 9. All Members of the Class shall be bound by all determinations and judgments in the
23 Litigation concerning the settlement, whether favorable or unfavorable to the Class.

24 10. Class Members who wish to participate in the settlement shall complete and submit
25 Proof of Claim forms in accordance with the instructions contained therein. Unless the Court orders
26 otherwise, all Proof of Claim forms must be submitted no later than ninety (90) days from the Notice

1 Date. Any Class Member who does not timely submit a Proof of Claim within the time provided for,
2 shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless
3 otherwise ordered by the Court.

4 11. Any Member of the Class may enter an appearance in the Litigation, at his, her or its
5 own expense, individually or through counsel of their own choice. If they do not enter an
6 appearance, they will be represented by Plaintiffs' Settlement Counsel.

7 12. Pending final determination of whether the settlement should be approved, neither the
8 Lead Plaintiffs nor any Class Member, either directly, representatively, or in any other capacity,
9 shall commence or prosecute against any of the Released Amazon Parties, any action or proceeding
10 in any court or tribunal asserting any of the Released Claims.

11 13. Any Person falling within the definition of the Class may, upon request, be excluded
12 from the Class. Any such Person must submit to the Claims Administrator a request for exclusion
13 ("Request for Exclusion"), postmarked no later than August 5, 2005. A Request for Exclusion must
14 be signed and state: (a) the name, address, and telephone number of the Person requesting exclusion;
15 (b) the Person's purchases and sales of Amazon Securities made during the Class Period, including
16 the dates, the number and type of securities, and price paid or received for each such purchase or
17 sale; and (c) that the Person wishes to be excluded from the Class. All Persons who submit valid and
18 timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the
19 Amended Stipulation, shall not share in the distribution of the Settlement Fund, and shall not be
20 bound by the Amended Stipulation or the Final Judgment.

21 14. Any Member of the Class may appear and show cause, if he, she or it has any, why
22 the proposed settlement of the Litigation should not be approved as fair, reasonable and adequate, or
23 why a Judgment should not be entered thereon, why the Plan of Allocation should not be approved,
24 or why attorneys' fees and expenses should not be awarded to counsel for the Lead Plaintiffs;
25 provided, however, that no Class Member or any other Person shall be heard or entitled to contest
26 the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment to

1 be entered thereon approving the same, or the order approving the Plan of Allocation, or the
2 attorneys' fees and expenses to be awarded to counsel for the Lead Plaintiffs unless that Person has
3 served on the following counsel (delivered by hand or sent by first class mail) written objections and
4 copies of any papers and briefs in support thereof on or before August 5, 2005: Lerach Coughlin
5 Stoia Geller Rudman & Robbins LLP, Jeffrey D. Light, 401 B Street, Suite 1600, San Diego,
6 California 92101-4297; and Gibson, Dunn & Crutcher LLP, Jonathan C. Dickey, 1881 Page Mill
7 Road, Palo Alto, California 94304, and filed said objections, papers and briefs with the Clerk of the
8 United States District Court for the Western District of Washington (at Seattle) on or before August
9 5, 2005. Any Member of the Class who does not make his, her or its objection in the manner
10 provided shall be deemed to have waived such objection and shall forever be foreclosed from
11 making any objection to the fairness or adequacy of the proposed settlement as incorporated in the
12 Amended Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to
13 counsel for the plaintiffs, unless otherwise ordered by the Court.

14 15. The passage of title and ownership of the Settlement Fund to the Escrow Agent in
15 accordance with the terms and obligations of the Amended Stipulation is approved. No Person that
16 is not a Class Member or counsel to the Lead Plaintiffs shall have any right to any portion of, or in
17 the distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided
18 in the Amended Stipulation.

19 16. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
20 *legis*, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be
21 distributed pursuant to the Amended Stipulation and/or further order(s) of the Court.

22 17. All papers in support of the settlement, the Plan of Allocation, and any application by
23 counsel for the Lead Plaintiffs for attorneys' fees or reimbursement of expenses shall be filed with
24 the Court and served at least seven (7) days prior to the Settlement Hearing.

25 18. Neither Defendants nor Defendants' counsel shall have any responsibility for the Plan
26 of Allocation or any application for reimbursement of attorneys' fees or reimbursement of expenses

submitted by Plaintiffs' Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the settlement.

19. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Plaintiffs' Settlement Counsel, and any application for attorneys' fees or reimbursement of expenses shall be approved.

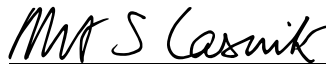
20. All reasonable expenses incurred in identifying and notifying Class Members as well as administering the Settlement Fund, shall be paid as set forth in the Amended Stipulation. In the event the settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly disbursed from the Settlement Fund for such reasonable expenses.

21. Neither the Amended Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants of the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind.

22. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement. The Court may approve the settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

IT IS SO ORDERED.

Dated this 16th day of May, 2005.


Robert S. Lasnik
United States District Judge

Presented by:

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